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The scanned document starts following this initial page.

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING ("Agreement") is made effective on July 1, 2015 ("Effective Date"), and is by and between ENCORE EDUCATION CORPORATION, a California nonprofit public benefit corporation ("ENCORE") and SYNERGY EDUCATION PROJECT, a California non-profit public benefit corporation ("SEP").

RECITALS:

WHEREAS, ENCORE operates Encore Jr./Sr. High School for the Performing and Visual Arts which is authorized by the Hesperia Unified School District and opened in 2008. Encore Jr./Sr. High School for the Performing and Visual Arts serves students in grades 9-12. Through the operation of Encore Jr./Sr. High School for the Performing and Visual Arts ENCORE has obtained knowledge, experience and expertise in operating charter schools, including with respect to business management, finance, strategy, grant applications, special education and general charter school management, and further including but not limited to, professional development and curriculum;

WHEREAS, SEP operates Synergy School which is located in Contra Costa County and authorized by the California State Board of Education ("Authorizer"). SEP opened in 2012 and serves students in grades 6-12. SEP's current charter term expires in 2017. A true, correct, and complete copy of the Charter, including all attachments and exhibits thereto, is attached and fully incorporated herein as Exhibit A;

WHEREAS, the Board of Directors of SEP (the "Board") may carry out any act and ensure the performance of any function by SEP that is in compliance with the California Constitution; the California Education Code; other federal, state or local statutes and regulations, orders and rulings applicable to California schools; any Operational Memorandum of Understanding between SEP and the Authorizer; any Special Education Memorandum of Understanding; the Charter; and any other written agreements between SEP and the Authorizer (collectively, "Applicable Law");

WHEREAS, the Board has determined that it is in SEP's best interests to enter into this Agreement with ENCORE in order to obtain the skilled services of ENCORE employees;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt, sufficiency and reasonableness of which are hereby acknowledged, the parties hereto intending to be legally bound, agree as follows:

ARTICLE 1

RETENTION OF ENCORE AND REASONABLE SERVICE FEE

1.1 Retention of ENCORE. SEP hereby engages and retains ENCORE, as an independent contractor, to provide the specific services identified in this Agreement for the term of this Agreement, as set forth in Section 1.2(b) ("Services").

1.2 ENCORE Duty and Authority.

(a) General. All individuals used by ENCORE to provide Services shall be ENCORE employees and not SEP employees. ENCORE shall hire, train, license (to the extent required by local law), supervise, direct and discharge its employees as necessary, and in its discretion, for purpose of providing Services to SEP under this Agreement.

(b) Services to be Provided by ENCORE. ENCORE will be responsible for providing the following Services to SEP:

I. Programmatic, Pupil Recruitment and Related Services

1. ENCORE will provide instructional support as required to operate Synergy School.

2. Recruitment of students including creation, design and preparation of recruitment materials and advertisements as ENCORE deems appropriate and develop community outreach strategy and connect with local organizations.

3. Implementation of SEP's admissions policy, including management of the application and enrollment process; creation, design and publication of SEP's applications and enrollment packages; communication with potential students and the provision of assistance to students through the enrollment process; conduct public random lottery as needed.

4. Plan and manage school orientation sessions; and provide representation of SEP at conferences and other events. Respond to incoming calls, letters, faxes and emails about the SEP program, its curriculum, the application and enrollment process, instructional materials, etc.

5. Propose educational goals, curriculum, methods of pupil assessment, admission policy, student recruitment policy, school calendar, school day schedule consistent with Applicable Law.

II. Administrative Services

1. Assistance with identification of location for SEP's facility; providing assistance as needed for negotiating the lease and leasehold improvements (all of which are to be authorized by SEP); help to manage the facility.

2. Administration of all business aspects and day-to-day management of SEP. These services shall include:

a. Consultation, and services as liaison for SEP with the Authorizer and other governmental offices and agencies;

b. Consultation and advice regarding special education programs, processes, support services and reimbursements;

c. Provide all school administrative staff, including the Executive Director. ENCORE will employ and determine the employment terms of its administrative personnel as ENCORE deems necessary to deliver the services described in this Agreement. The responsibilities and performance of ENCORE employees will be consistent with Applicable Law. ENCORE will have sole authority to select, supervise, evaluate, transfer, promote, discipline and dismiss its administrative staff.

d. Preparation of forms, operations manuals, handbooks, guides and policies and procedures as necessary or required by the Charter or Authorizer.

e. Consultation with respect to, and monitoring and oversight of, state reporting systems.

f. Assist SEP in identifying and applying for grants and other funding opportunities.

g. Assist with administration of federal entitlement programs (e.g. Title I, the Individuals with Disabilities Education Act.)

h. Establish and implement policies and procedures to maintain proper internal controls.

i. Provision of such other administrative consulting services as agreed in writing by the parties from time to time.

3. Budgeting and Financial Reporting.

a. Preparation of a proposed annual budget, including projected revenues, expenses and capital expenditures. The proposed budget will be submitted by ENCORE to SEP on or before June 30th preceding the start of the applicable school year covered by such proposed budget. On or about September 30 of each school year, ENCORE will submit to SEP any proposed modifications to the annual budget for that school year to take into account the actual student enrollment for such year and other changes in key assumptions. ENCORE shall also submit to SEP from time to time any other proposed modifications to the annual budget as ENCORE shall deem necessary or desirable, to be acted upon by SEP consistent with Applicable Law and this Agreement.

b. As practical and necessary, provide to SEP on a periodic basis, detailed statements of all revenue received, by source and detailed statements of all direct expenditures for services rendered.

c. Provide SEP all financial reports required under Applicable Law and by the Authorizer.

d. To the extent applicable, assist in the preparation of required non-profit filings, including Form 990 annual information returns.

4. Financial Management.

a. In accordance with SEP's expenditure authorization policy, ENCORE will, within commercially reasonable periods of time or as required by any agreement governing the same, make payment for all expenses, out of the SEP funds managed by ENCORE.

b. All funds will be maintained in account(s) belonging to SEP over which designated representatives of ENCORE will have signature authority as approved by SEP. SEP will immediately transfer to such account(s) all funds received by SEP from any source, including but not limited to, per pupil payments or reimbursements received from the Authorizer, state, federal and/or any other sources as well as any and all contributions received by SEP.

c. Perform necessary planning, forecasting, accounting and reporting functions as appropriate.

d. Assist and coordinate in any third-party audit(s) of SEP.

5. Student Discipline. Provide necessary information and cooperate with SEP on the handling of student disciplinary matters, including without limitation attendance and truancy matters. ENCORE will recommend policy and procedures for SEP's adoption consistent with Applicable Law.

6. Authorizer Policies, Charter Revision and Charter Renewal. Assist SEP in complying with all applicable Authorizer policies as reasonably interpreted to apply to SEP. Assist SEP with drafting the Charter revision and Charter renewal applications, including working with SEP to develop any necessary budgetary and curriculum information. Present and defend SEP's charter revision and Charter renewal applications before the Authorizer.

7. Additional Administrative Services. Any other services as agreed to in writing by the parties from time to time.

(c) Authority and Responsibility Limitations. ENCORE agrees that the employees it selects to provide Services to SEP under this Agreement will obtain prior written approval from the Board before engaging in any action outside of SEP's ordinary course of business.

1.3 Authorities and Duties of SEP.

(a) General Oversight. SEP will be responsible for monitoring ENCORE's performance under, and compliance with, this Agreement in accordance with Applicable Law. SEP shall also be responsible for overseeing SEP's quality, operational and financial performance.

(b) **Policies.** The parties acknowledge and agree that in providing services hereunder, ENCORE will recommend various policies for the operation of SEP's program and will implement procedures consistent with those policies, but that SEP retains ultimate responsibility for adopting policies and for overseeing ENCORE's implementation of procedures consistent with those policies, such that the policies and their implementation are in compliance with Applicable Law. SEP shall provide ENCORE written copies of all policies adopted by SEP and must notify ENCORE promptly in writing of any changes to such policies adopted by SEP and shall provide ENCORE with copies thereof.

(c) **Non-Administrative Staff.** Unless otherwise agreed in writing by ENCORE, SEP will employ all non-administrative staff and is responsible for all costs associated with their employment (including, without limitation, salaries, benefits, travel, and professional development). The Executive Director of Synergy School, who is employed by ENCORE, will have sole authority to select, supervise, evaluate, transfer, promote, discipline and dismiss SEP's staff.

(d) **Program Expenses.** ENCORE shall not assume responsibility for any debts, liabilities or obligations incurred by SEP prior to the effective date of this Agreement. ENCORE will not incur any debts, liabilities or obligations on SEP's behalf, other than current operational liabilities (accounts payable, deferred revenue, accrued interest, etc.) relating solely to revenues and expenditures included in SEP's current approved budget, without prior SEP Board approval. SEP will be responsible for all debts, liabilities and obligations which are incurred on behalf of SEP by ENCORE, consistent with this paragraph, during the term of this Agreement.

1.4 Reasonable Service Fee. SEP agrees to pay ENCORE a reasonable service fee as follows: SEP shall pay ENCORE an annual fee of seven percent (7.0%) of total annual revenues, paid in four equal installments on September 30, December 30, March 30, and July 31 for any given July 1–June 30 fiscal year, commencing September 30, 2015 for the 2015-16 fiscal year and continuing on thereafter. Annual revenues shall be recalculated at each quarterly billing and reconciled with prior quarterly payments. Encore may, at its discretion, accept a single annual payment in arrears for services rendered for the 2015-16 and 2016-17 fiscal years.

1.5 Payment Out of SEP Funds Managed by ENCORE. ENCORE is specifically authorized to pay itself, subject to SEP's expenditure authorization policy, out of SEP's funds managed by ENCORE, and to work directly with SEP staff or contracted back office services provider to ensure timely payment in full.

1.6 Fees Subject to Prudent Financial Management. Both parties agree that it is essential to maintain the good standing of the Charter. The criteria for maintaining good standing include, but are not limited to, prudent financial management of SEP by the SEP Board. In light of the foregoing, should there be any disagreement regarding payments that cannot be resolved between the parties, either party may invoke the provisions of Section 5.5.

1.7 Service Initiation. The services performed pursuant to this Agreement began on the Effective Date.

1.8 Change in Reasonable Service Fee. During the term of this Agreement, and absent a material breach by ENCORE or SEP, the reasonable service fee designated in Section 1.4 shall not be varied without the prior written consent of both parties.

ARTICLE 2

AGREEMENT TERM AND TERMINATION

2.1 Initial Term. The term of this Agreement shall be for a term of two years (2) years from the Effective Date, or until the expiration of the Charter, whichever date comes first. Under no circumstances will this Agreement have any force or effect beyond the expiration of the Charter or any charter renewal.

2.2 Subsequent Term(s). The parties agree to consider extensions of this contract at the appropriate time.

2.3 Termination for Cause/Material Breach. A material breach of this Agreement shall be deemed to occur in the narrow instances where ENCORE engages in gross negligence in the provision of services as identified in this Agreement or where SEP fails to make a required payment under this Agreement and the parties cannot agree on alternative terms. A material breach may be waived by either party. If a material breach occurs and such breach is not waived or corrected within ninety (90) days after the breaching party receives written notice describing such breach, the non-breaching party shall have the right to terminate this Agreement with the breaching party. If the breaching party does not agree that there has been an occurrence of a material breach or believes that the breach was corrected within ninety (90) days after receipt of written notice of such breach, the matter shall be referred to dispute resolution as set forth in Section 5.5 of this Agreement.

2.4 Non-Disparagement. The parties agree not to make false comments or utter otherwise disparaging comments about the other to any third person or third party entity. This shall not prohibit either party from engaging in any communication otherwise protected by law, including but not limited to, privileged communications with counsel, communications required pursuant to subpoena and/or other legal or judicial process, communications necessary for the health and safety of others including the pupils at SEP, and/or communications required in order to address any potential crime or fraud.

2.5 Insolvency. Either party may terminate this Agreement upon thirty (30) days written notice, without being in breach of this Agreement, if the other party admits insolvency, makes an assignment for the benefit of creditors, or has a trustee or receiver appointed over all or any substantial part of such party's assets.

2.6 Rights and Obligations after Termination. No termination of this Agreement shall affect the rights, obligations or claims of any party arising prior to the termination of this Agreement, including compensation due ENCORE for services provided under this Agreement prior to the termination date.

2.7 Termination Upon Revocation or Nonrenewal of Charter. If SEP's charter is nonrenewed and no replacement charter is obtained by the end of the existing charter term or can

reasonably be expected to be obtained prior to the subsequent September 30, this Agreement shall terminate at the end of the charter term. If SEP's charter is revoked, this Agreement shall terminate as of the effective date of the revocation. Any funds available after school closure and dissolution of the nonprofit corporation shall be used to first satisfy outstanding ENCORE invoices up through and including the date of termination of the Agreement, unless SEP is then party to bankruptcy proceedings, in which case ENCORE may submit a claim for all fees and reimbursements due and payable through the bankruptcy proceedings.

ARTICLE 3

CONFIDENTIALITY AND PROPRIETARY INFORMATION

3.1 Definition of Confidential Information. As used herein, "Confidential Information" shall mean:

(a) Information disclosed by or on behalf of SEP to ENCORE or to ENCORE's representative(s) concerning disciplinary, academic, health and other student records (and this provision shall survive termination of this Agreement). Confidential information shall include information learned or furnished either orally or in writing prior to or during the term of this Agreement.

3.2 Agreements Concerning Confidentiality. To ensure the protection of Confidential Information from improper disclosure, ENCORE and SEP agree that:

(a) All Confidential Information of the other party shall be and remain the exclusive property of such other party;

(b) Except for disclosure required by law, each party shall limit access to Confidential Information of the other party to individuals employed or retained by the first party who have a need to know the Confidential Information in order to perform the Services set forth in this Agreement or other valid agreements between such parties; and

(c) The use of Confidential Information will be limited only to purposes of complying with each party's obligations hereunder and for such other purposes as shall be agreed upon by the other party in writing.

3.3 Exceptions to Confidentiality. The obligations of the parties contained in this Article shall not apply to any Confidential Information which is a record subject to disclosure under the California Public Records Act.

3.4 Intellectual Property Rights.

(a) SEP acknowledges and agrees that ENCORE has the right to sublicense certain intellectual property rights and interests in and to ENCORE's intellectual property, including but not limited to trade secrets, know-how, proprietary data, documents and written materials in any format, artwork, graphics, charts, software, licenses, marketing materials, website design and other materials created for SEP, curricular materials and any and all customizations and derivative works thereof (collectively, "ENCORE Proprietary Materials"). SEP further

acknowledges and agrees that it has no intellectual property interest or claims in the ENCORE Proprietary Materials, any customizations and derivative works thereof or any other materials created for use in connection with ENCORE Proprietary Materials, and has no right to use the ENCORE Proprietary Materials unless expressly agreed to in writing by ENCORE.

(b) Sub-License of ENCORE Proprietary materials. ENCORE hereby grants SEP a royalty-free, nonexclusive, non-transferable sub-license, during the term of this Agreement and for a period for ninety (90) days following the expiration or earlier termination of this Agreement, to use and distribute the ENCORE Proprietary Materials in connection with SEP's operation as contemplated in this Agreement. Notwithstanding the foregoing, SEP hereby agrees not to: (i) modify or otherwise create, or permit third parties to modify or otherwise create, derivative works from or using the ENCORE Proprietary Materials, or (ii) sublicense any rights under this Section 3.4 without the advance written approval of ENCORE, which approval of ENCORE may be withheld by ENCORE at its sole discretion. Upon the termination of this license, SEP will cease to use the ENCORE Proprietary Materials, and SEP will return all ENCORE Proprietary materials to ENCORE promptly.

ARTICLE 4

WARRANTIES AND INDEMNITIES

4.1 Warranties. Each party represents and warrants that it:

(a) Is an organization duly organized, validly existing and in good standing under the laws of the state in which it is formed;

(b) Has all requisite power and authority and the legal right to enter into this Agreement and to perform its obligations;

(c) Has taken all necessary action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations;

(d) Has duly executed and delivered this Agreement, which in turn, constitutes a legal, valid, binding obligation, enforceable against such party in accordance with its terms; and

4.2 Indemnities.

(a) Indemnification by ENCORE. ENCORE will indemnify, defend, and save and hold SEP and all of its employees, officers, directors, trustees, subcontractors, and agents, their respective successors and permitted assigns, harmless against any and all claims, demands, suits or other forms of liability including without limitation costs and reasonable attorneys' fees (each a "Claim") that may arise out of, or by reason of, any (a) breach of any expressed representation or warranty, covenant or agreement made or to be performed by ENCORE pursuant to this Agreement, (b) noncompliance by ENCORE with any Applicable Law in connection with SEP's operations, but excluding any Claims that arise from conduct undertaken in accordance with the Authorizer's or SEP's instructions, procedures or written policies or in accordance with Authorizer's written policies, except where such instructions arise from and are in accordance with specific advice or explicit recommendations formally provided by ENCORE, and (c) act or

omission of ENCORE or any of its employees, officers, directors, trustees, subcontractors or agents in connection with SEP's operations that results in injury, death, or loss to person or property except to the extent any Claims arise out of actions or omissions of SEP. ENCORE shall not be liable for any Claims related to the enrollment, placement and provision of services to any Special Education Students.

(b) Indemnification by SEP. SEP will indemnify, defend, and save and hold ENCORE and all of its employees, officers, directors, trustees, subcontractors, and agents, their respective successors and permitted assigns, harmless against any and all Claims that may arise out of, or by reason of, any (a) breach or any expressed representation or warranty, covenant or agreement made or to be performed by SEP pursuant to this Agreement, (b) noncompliance by SEP with any Applicable Law in connection with SEP's operations, (c) act or omission of SEP or any of its employees, officer, directors, trustees, subcontractors or agents in connection with SEP's operations that results in injury, death, or loss to person or property except to the extent any Claims arise out of actions or omission of ENCORE, and (d) for any Claims that are related to SEP's action or inaction with respect to the enrollment, placement and provision of services to any Special Education Students.

4.3 Insurance.

(a) Liability Coverage. SEP will initiate and maintain for a period of two (2) years after the expiration or termination of this Agreement, at its own expense, comprehensive professional and general liability insurance, including product liability, contractual liability (applicable to indemnification obligations of SEP set forth in Section 4.2), and advertising injury insurance, with reputable and financially secure insurance carriers to cover the operation so SEP, for not less than \$5,000,000 (combined single limit for bodily injury and property damage per occurrence and in the aggregate). Such insurance will include ENCORE and its trustees, directors, officers, employees, contractors and agents as additional insureds within thirty (30) days after the effective date of this Agreement. Such insurance will be written to cover claims incurred, discovered, manifested or made during or after the term of the Agreement.

(b) SEP will furnish a certificate of insurance evidencing such coverage to ENCORE within thirty (30) days after the effective date of this Agreement. Thereafter, SEP will provide thirty (30) days' advance written notice to ENCORE of any cancellation or material adverse change to such insurance.

(c) Insurance Coverage No Limitation on ENCORE's Rights. SEP's insurance will be primary coverage and any insurance ENCORE may purchase shall be excess and non-contributory. The minimum amounts of insurance coverage required herein will not be construed to impose any limitation on SEP's indemnification obligations under Section 4.2.

ARTICLE 5

GENERAL PROVISIONS

5.1 Notices

Any notice, demand, or communication required or permitted to be given to a party by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if (i) delivered personally, (ii) sent by facsimile, or (iii) sent by registered or certified mail, postage prepaid, addressed to the party at the address set forth below. Except as otherwise provided herein, any such notice shall be deemed to be given on the date on which the same was personally delivered, on the date on which the notice was transmitted by facsimile if confirmation thereof is obtained or, if sent by registered or certified mail, three days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid. The inability to deliver any such notice because of a changed mailing address or facsimile, of which no notice was given, or because of the rejection or refusal to accept such notice, shall be deemed to be the effective receipt of the notice as of the date of such inability to deliver, rejection or refusal to accept. Notice may be given by counsel or an agent for a party. Courtesy copies shall be delivered the parties' attorneys and the parties are under a duty to notify the other in the event of any change of address.

If to ENCORE:

Encore Education Corporation
16955 Lemon Street
Hesperia, CA 92345
Attention: Denise Griffin
Facsimile: 760-956-2282

If to SEP:

Synergy Education Project
355 E. Leland Road
Pittsburg, CA 94565
Attention: CYNTHIA RUEHLIG
Facsimile: _____

This provision shall survive termination of this Agreement.

5.2 Waiver. No waiver of any breach of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a waiver of any other or subsequent breach.

5.3 Severability. If any term, provision or section of this Agreement shall be found to be unenforceable, that term, provision, or section shall be stricken from this Agreement and shall not affect that validity or enforceability of the remaining terms, provisions and sections of this Agreement. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as enforceable.

5.4 Further Assurances. Each party shall execute such deeds, assignments, endorsements, evidences of transfer or other documents and shall give further assurances as shall be reasonably necessary or desirable to perform its obligations hereunder.

5.5 Governing Law; Dispute Resolution.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of California, without applying any choice of law provisions of the State of California, or any other jurisdiction.

(b) If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by engaging in good faith negotiations between themselves, their respective Boards, and their respective representatives.

(c) Should such efforts not successfully resolve the dispute(s), then the parties agree to engage in mediation administered by the American Arbitration Association under its Commercial Mediation Procedures or by such similar commercial alternative dispute service as may be agreed upon by the parties. The mediation shall be held in San Bernardino County, State of California, or other location as may be agreed upon by the parties.

(d) Should mediation not successfully resolve the dispute(s), or if the parties are unable to agree upon the mediator or commercial alternative dispute service to be utilized for such purpose, the parties then may agree to arbitration if both parties consent to arbitration. No arbitration shall take place unless both parties consent to arbitration. Alternatively, any party may choose to litigate its dispute in lieu of arbitration. Irrespective of the mediation and arbitration provisions set forth herein, each party understands and agrees that the other party may seek and obtain relief from a court of competent jurisdiction located in San Bernardino County, State of California, without first attempting mediation or arbitration for claims by either party for injunctive or other equitable relief, including, without limitation, claims for unauthorized disclosure of Confidential Information.

(e) The parties hereto mutually agree that, except as provided in this Agreement, any arbitration shall be in accordance with the then-current rules of the American Arbitration Association and the procedures to be mutually agreed upon by the parties hereto, before an arbitrator ("Arbitrator") mutually selected by ENCORE and SEP. The arbitration shall take place in San Bernardino County, State of California, or other location as may be agreed upon by the parties.

(f) The Arbitrator shall apply the substantive law (and the law of remedies, if applicable) of the State of California, in accordance with this Section 5.5, in deciding the issues to be heard. The parties shall be entitled to engage in discovery pursuant to the California Arbitration Act. Notice of any motions before the Arbitrator shall be given to the Arbitrator. Any party may cause to be prepared, at its expense, a written transcription or electronic recordation of such arbitration. The award of the Arbitrator shall be supported by written findings of fact and conclusions of law.

(g) With respect to each matter not subject to mediation or arbitration, each of the parties hereby irrevocably and unconditionally consents to submit to the jurisdiction of the federal courts of the United States of America (located in Los Angeles, California) or, if such federal courts do not have jurisdiction, to the courts of the State of California (located in the county of San Bernardino) for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby, and further agrees that service of any process, summons, notice or document by U.S. registered mail to the party's respective address set forth in this Agreement shall be effective service of process for any litigation brought against the party in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this Agreement or the transactions contemplated hereby in the courts of the United States of America or the State of California, in each case located in the county of San Bernardino, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim that any such litigation brought in any such court has been brought in an inconvenient forum.

(h) Each of the parties hereto irrevocably agrees and acknowledges that any judgment (whether issued by a court, arbitrator or other entity) which one party may have against any other party, and all other monetary claims which one party may have against any other party, may be enforced in any jurisdiction in which the party subject to the monetary obligation has assets.

(i) Section 5.5 of this Agreement, in its entirety, shall survive termination of this Agreement.

5.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

5.7 Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and permitted assigns. Except as provided herein, this Agreement may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

5.8 Entire Agreement; Amendment. Except as expressly set forth to the contrary herein, including but not limited to the interpretation and enforcement of this Agreement, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the parties (and their affiliates) with respect to the subject matter hereof. This Agreement may be amended only in writing signed by the parties.

5.9 No Benefit to Others. Except as expressly set forth to the contrary herein, including but not limited to the interpretation and enforcement of this Agreement, the representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the parties hereto and their successors and permitted assigns, and the Agreement will not be construed as conferring and is not intended to confer any rights on any other persons or entities.

5.10 Rights and Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. These rights and remedies are given in addition to any other rights that the parties may have by law, statute, ordinance or otherwise.

5.11 Headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to define or limit the scope, extent or intents of this Agreement or any provisions herein.

5.12 Recitals. The Recitals of this Agreement are hereby incorporated into this Agreement.

5.13 Construction. The parties agree that this Agreement was jointly developed and prepared and shall not be construed for or against either party by reason of the physical preparation of this Agreement.

5.14 Facsimile Signatures. The parties agree that, if a duly authorized representative of one party signs this Agreement and transmits such Agreement to the other party via facsimile transmission, and a duly authorized representative of the other party then signs such transmission, this Agreement shall have been validly executed by both parties and such fully signed document, and the facsimile of such document bearing all signatures transmitted to the party that originally signed such document, shall be deemed original documents.

5.15 Relationship of Parties. The parties to this Agreement are not partners or joint venturers. ENCORE is an independent contractor. This Agreement shall not constitute any party the legal representative or agent of the other, nor shall any party or any affiliate of any party have the right or authority to assume, create or incur any liability or obligation, express or implied, against, in the name of, or on behalf of the other party. This provision shall survive termination of this Agreement.

5.16 Legal Fees. ENCORE and SEP shall pay their own respective legal fees incurred in negotiating and preparing this Agreement.

5.17 Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the parties hereto, with the full intent of releasing all claims. The parties acknowledge that:

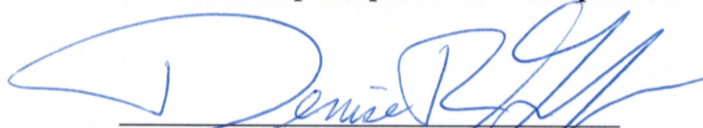
- (a) They have carefully read this Agreement;
- (b) They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;
- (c) They understand the terms and consequences of this Agreement and of the releases it contains and they are fully aware of and voluntarily and knowingly agree to the legal and binding effect of this Agreement; and

(d) The person executing this Agreement on behalf of his or her respective entity party represents and warrants that he or she had the authority to do so.

(SIGNATURE PAGE FOLLOWS)


IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this 19TH day of JUNE, 2015.

**ENCORE EDUCATION CORPORATION, a
California nonprofit public benefit corporation**



Denise Griffin, Chief Executive Officer

**SYNERGY EDUCATION PROJECT, a
California non-profit corporation**



[INSERT NAME, TITLE]
CYNTHIA T. RUEHLIG
President, Board of Directors

Exhibit A
Charter



October 19, 2015

VIA E-MAIL and US MAIL

Cynthia Ruehlig
President, Synergy Education Project
cynthia.ruehlig@gmail.com

Elisabeth Brooking
Vice-President, Synergy Education Project
1403 St. James Parkway, Concord, CA 94521
esbrooking@yahoo.com

Edgar Cortes
Board Member, Synergy Education Project
edgarcortes2000@gmail.com

Re:	<u>Synergy Education Project</u>
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Dear Synergy Education Project Board Members:

Please be advised that Encore Education Corporation is providing thirty (30) days written notice of the termination of its Memorandum of Understanding ("MOU") with Synergy Education Project, pursuant to Section 2.5 of that same MOU. The Effective Date of Notice is the date of this letter.

As the board members of Synergy Education Project have all resigned in violation of California *Corporations Code* section 5226 and Encore Education Corporation has no authority to appoint new board members or otherwise act in a governance capacity for Synergy Education Project, Synergy Education Project has in effect admitted insolvency.

Sincerely,

Encore Education Corporation

Enclosures

Cc:
Judie Hall, Education Administrator, Charter Schools Division, California Department of Education
juhall@cde.ca.gov

Karl Yoder, DMS
karl@charteradmin.com